

Message Text

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ORIGIN L-01

INFO OCT-01 SS-14 ISO-00 EB-03 ARA-06 INR-05 SP-02 INRE-00

SSO-00 /032 R

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O 242048Z SEP 76
FM SECSTATE WASHDC
TO AMEMBASSY QUITO IMMEDIATE

S E C R E T STATE 237715

LIMDIS

E.O. 11652: GDS

TAGS: ENRG, PFOR, EC

SUBJECT:GULF DISPUTE

REF: QUITO 6876

1. APPRECIATE REFTTEL. PURSUANT TO IT, WE HAVE SPOKEN WITH GULF VICE PRESIDENT LUMPKIN. HE WILL SPEAK WITH WYCHE, WHO ARRIVES THIS EVENING, AND RESPOND SOON, PROBABLY OVER WEEK-END. WE STRONGLY RECOMMENDED THAT GULF GIVE SYMPATHETIC CONSIDERATION TO IDEA OF ASSURANCES RUNNING FROM GOE TO USG.

2. HOWEVER, BEFORE WE TALKED WITH LUMPKIN,GULF WASHINGTON REPRESENTATIVE ORTIZ GAVE US COPY OF TELEX SET OUT BELOW. AS READILY APPEARS, IT GIVES QUITE DIFFERENT IMPRESSION

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OF SITUATION. ANY COMMENTS YOU MAY HAVE ON IT OR LATEST

DEVELOPMENTS WOULD BE APPRECIATED.

3. FOLLOWING TELEX JUST RECEIVED FROM WYCHE IN ECUADOR.
QUOTE FINALLY MET WITH ROBALINO AT 3:15 SEPTEMBER 23.
MEETING HAD BEEN SCHEDULED FOR 11 A.M. BUT ROBALINO WAS
WITH CONSEJO UNTIL 3 P.M. HE CAME TO US WITH SCHEME WHICH:

(1) WOULD CREDIT THE ADVANCE PAYMENTS MADE ON
SHIPMENTS POST AUGUST 25 AGAINST THE PAST DUE ACCOUNT AS
WE PROPOSED IN OUR LETTER OF SEPTEMBER 18.

(2) WOULD REQUIRE THAT WE GIVE IRREVOCABLE LETTER OF CRED-
IT THAT PAYMENT FOR THESE SHIPMENTS WOULD BE MADE AS THEY
BECOME DUE.

(3) WOULD REQUIRE SAME GUARANTEE AS (2) ABOVE FOR
REMAINING DEPOSITS YET TO COME DUE.

(4) WOULD REQUIRE SAME FOR ALL FUTURE LIFTINGS.

(5) IF WE AGREED TO ABOVE GOVT. WOULD THEN NEGOTIATE BUY
OUT.

WE RESPONDED THAT THE ONLY WAY WE COULD GIVE SUCH GUARANTEES
WOULD BE WHEN AND ONLY WHEN WE HAD SIGNED AGREEMENT WITH
GOVT PURCHASING OUR ASSETS AT MUTUALLY AGREED PRICE
AND PAYMENT OF OUTSTANDING DEBTS PLUS FINANCING ARRANGE-
MENT FOR PAYMENT. WE PROPOSED THAT SIMULTANEOUS WITH
SIGNING PURCHASE-SALE AGREEMENT WE WOULD GIVE ABOVE
GUARANTEES.

AS YOU SEE, THEIR POSITION HAS NOT CHANGED JUST PUT IN
DIFFERENT FORM.

HE LEFT MEETING WITH US TO GO BACK TO CONSEJO WITH OUR
RESPONSE.

WE THEN WENT TO AMBASSADOR'S RESIDENCE TO BRING HIM UP TO
DATE ON ALL MEETINGS WITH GOVT. AFTER SHORT DISCUSSION
AMBASSADOR HAD TO DEPART FOR MEETING CALLED BY POVEDA.

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LATER IN EVENING AMBASSADOR CAME TO MY HOTEL ROOM TO
DISCUSS POVEDA PROPOSAL TO HIM. EYE WILL NOT SPELL OUT
HERE BUT EYE DON'T FEEL IT COULD SATISFY US. HAVE ANOTHER
MEETING WITH AMBASSADOR THIS A.M.

LUCAN AND EYE ARRIVING MIAMI THIS EVENING. UNQUOTE.
REGARDS LUMPKIN KISSINGER

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NNN

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